

The scenario continues. Abby Winthrop is single, under 65, and is a U.S. citizen. She owns 200 shares in Caldwell Corporation's mutual fund that invests in Canadian corporations. She received a dividend of \$620 from Caldwell Corporation which withheld and paid tax of \$93 to Canada on her dividend.

Complete lines 9 through 21 of Part III. Note: Lines 17, 18 and 19 have been completed for you.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Part III Figuring the Credit

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I	9	
10	Carryback or carryover (attach detailed computation)	10	
11	Add lines 9 and 10.	11	
12	Reduction in foreign taxes (see page 15 of the instructions).	12	
13	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit	13	
14	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I (see page 15 of the instructions)	14	
15	Adjustments to line 14 (see page 16 of the instructions)	15	
16	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.)	16	
17	Individuals: Enter the amount from Form 1040, line 41. If you are a nonresident alien, enter the amount from Form 1040NR, line 38. Estates and trusts: Enter your taxable income without the deduction for your exemption.	17	
Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see page 17 of the instructions.			
18	Divide line 16 by line 17. If line 16 is more than line 17, enter "1"	18	
19	Individuals: Enter the amount from Form 1040, line 44. If you are a nonresident alien, enter the amount from Form 1040NR, line 41. Estates and trusts: Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37	19	
Caution: If you are completing line 19 for separate category g (lump-sum distributions), see page 18 of the instructions.			
20	Multiply line 19 by line 18 (maximum amount of credit)	20	
21	Enter the smaller of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 30 and enter this amount on line 31. Otherwise, complete the appropriate line in Part IV (see page 18 of the instructions) ▶	21	